

SCHEME OF AMALGAMATION

BETWEEN

**INDIGO JEWELLERY (INDIA) MFG. PRIVATE LIMITED
(AMALGAMATING COMPANY / TRANSFEROR COMPANY)**

AND

**S. VINODKUMAR DIAMONDS PRIVATE LIMITED
(AMALGAMATED COMPANY / TRANSFEREE COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND RULES MADE THEREUNDER)**

PREAMBLE

This scheme of amalgamation (hereinafter referred to as the 'Scheme'), provides for the amalgamation of **Indigo Jewellery (India) Mfg. Private Limited (IJIMPL)** with **S. Vinodkumar Diamonds Private Limited (SVDPL)**, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"), read with the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

The Scheme is divided into the following four parts:

- Part I : Introduction, Definitions and Rationale
- Part II : Share Capital
- Part III: Amalgamation and Vesting
- Part IV: Miscellaneous provisions and Conditionality of the Scheme



PART I
INTRODUCTION, DEFINITIONS AND RATIONALE

1. INTRODUCTION

1.1 Indigo Jewellery (India) Mfg. Private Limited (Corporate Identification Number U36910GJ2005PTC092928) is a company whose more than majority of the share capital carrying voting rights are held by S. Vinodkumar International PTE Ltd, a company incorporated in Singapore. IJIMPL was originally incorporated as on 28/04/2005 under the provisions of the Companies Act, 1956 as Imperial Jewels Private Limited. Subsequently, the name of the Company was changed to IDI Jewels Private Limited and fresh certification was obtained on 29/12/2008. Subsequently, the name of the company was changed to Indigo Jewellery (India) Mfg. Private Limited and fresh certificate of incorporation was obtained on 08/09/2009. Its registered office is situated at 88, A/B/C/D/E, Umiya Chowk, Opp. Umiya Temple, A. K. Road, Surat – 395 008, Gujarat, India.

The main objects for which Indigo Jewellery (India) Mfg. Private Limited was incorporated, include but is not limited to the following:

- a. To carry on the business and activities of manufacturing, cleaving, sewing, cutting, polishing, processing, indenting, assorting, model making, cashing, polishing, preparing, studding, furnishing, refining, enamelling and of buying, selling, importing, exporting, supplying, distributing and dealing in cut and uncut gems, cut and uncut diamonds, industrial diamonds, boart whether rough or coarse or polished, cut and uncut precious and semi precious stones and pearls, whether real or cultured rubies, synthetic gems, plain and studded jewellery in gold, platinum, silver, copper, brass their alloys and other metal and studded with diamonds, pearls, synthetic gems, precious and semi-precious stones.
- b. To set up, implement, purchase, establish and run unit for manufacturing, cleaving, sawing, cutting, polishing, processing, indenting, assorting, model making, cashing,



polishing, preparing, studding, furnishing, refining, enamelling and of buying, selling, importing, exporting, supplying, distributing of studded jewellery in gold, platinum, silver, copper, brass their alloys and other metal and studded with diamonds, pearls, synthetic gems, precious and semi-precious stones in Santacruz Electronic and Export Processing Zone or any other Export processing whether in India or elsewhere and to implement such project whether it is approved to the company or to any other Concern by Santacruz Electronic Export Processing Zone or any other Authority

- 1.2 S.Vinodkumar Diamonds Private Limited (Corporate Identification Number U36910MH2004PTC149769) was originally a partnership firm S.Vinodkumar & Co and converted to private limited company under chapter IX of the Companies Act 1956 on 01/12/2004. Its registered office is situated at BW-3010, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai Maharashtra India Pin code 400051.

The main objects for which S. Vinodkumar Diamonds Private Limited was incorporated, include but is not limited to the following:

- a. To commence, establish, set up, carry on, conduct, manage and administer the business of buying, selling, importing, exporting, indenting, refining, boiling, processing, cutting, manufacturing, assorting, cleaning, polishing, preparing, kerfing, cleaving, sawing, chiseling, cl i fling, blocking, acquiring, disposing off, distribution, ordering, regulation, controlling, classifying, allocation, trading and selling and dealing out and/or uncut, coarse and/or polished gems, diamonds including industrial diamonds and hoart and whether rough or coarse or polished, precious, semi-precious ami synthetic stones including uncut pearls, whether real or cultured rubies, emeralds, sapphires, corals, all kinds of precious and semi-precious metuls including gold, silver, platinum and in bullion form also jewellery and ornaments of all kinds including of metal and/or studded with diamonds and pearls, including cultured pearls and/or precious, semiprecious and synthetic stones.



c. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

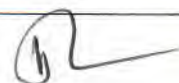
- a. “**Act**” or “**The Act**” means the Companies Act, 2013 or any statutory modification or reenactment thereof;
- b. “**Amalgamated Company**” or “**Transferee Company**” means S. Vinodkumar Diamonds Private Limited (Corporate Identification Number: U36910MH2004PTC149769), a Company incorporated on 01st December, 2004 under the Companies Act, 1956, having its registered office at BW-3010, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai,-400051, Maharashtra, India.
- c. “**Amalgamation**” means amalgamation of the Amalgamating Company into the Amalgamated Company on a going concern basis in terms of the Scheme (*as defined hereinafter*) in its present form or with such modification(s) as may be required therein and approved by the Hon’ble Tribunal.
- d. “**Amalgamating Company**” or “**Transferor Company**” means Indigo Jewellery (India) Mfg. Private Limited (Corporate Identification Number: U36910GJ2005PTC092928), a Company incorporated under the Companies Act, 1956, having its registered office at 88, A/B/C/D/E, Umiya Chowk, Opp. Umiya Temple, A. K. Road, Surat – 395 008, Gujarat, India.
- e. “**Applicable Law(s)**” means (a) all the applicable statutes, notification, enactments, act of legislature, listing agreement, bye-laws, rules, regulations, guidelines, rule, common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force (b) administrative interpretations, writs, injunctions, directions, directives, judgments, arbitral awards, decree, orders, or Governmental approvals of, or agreement with any relevant authority, received from time to time and as may be in force during the pendency of the approval of the Scheme and at the time of this Scheme becoming effective;



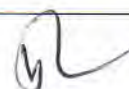
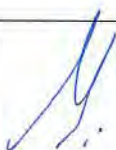
- f. **“Appointed Date”** means 1st April, 2019 or such other date as the Tribunal may direct.
- g. **“Board of Directors”** or **“Board”** means board of directors of the Amalgamating Company and/or Amalgamated Company, as the case may be, and shall, unless it is repugnant to the context, includes a committee of directors or any person authorized by the board of directors or such committee of directors for purposes of matters pertaining to this Scheme.
- h. **“Companies”** means the Amalgamating Company and Amalgamated Company shall jointly be referred to as the Companies.
- i. **“Effective Date”** means the later of the dates on which certified copies of the Order passed by the Tribunal sanctioning the Scheme, with or without modification, under Section 230 to 232 of the Act are filed with the concerned Registrar of Companies after obtaining all the consents, approvals, permissions resolutions, agreements, sanctions and orders as are hereinafter referred to.

Reference in the Scheme to the date of **“Coming into effect of this Scheme”** or **“Upon the Scheme being effective”** shall mean the Effective Date.

- j. **“Memorandum or Memorandum of Association or MOA”** means Memorandum of Association of Amalgamating Company and Amalgamated Company.
- k. **“National Company Law Tribunal”** or **“NCLT”** shall mean the National Company Law Tribunal, Mumbai Bench in case of Amalgamated Company and the National Company Law Tribunal, Ahmedabad Bench in case of Amalgamating Company or any other relevant bench of the National Company Law Tribunal, constituted under Section 408 read with Sections 419 of the Act or the National Company Law Appellate Tribunal or any other competent Court(s), judicial or quasi – judicial authority, having appropriate jurisdiction and power to sanction the Scheme.

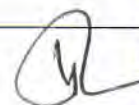


- l. **“Reserve and Surplus”** means Reserve & Surplus as per the financial statement as on 31/03/2019 of Amalgamating Company and Amalgamated Company.
- m. **“Registrar of Companies”** means the Registrar of Companies, Mumbai having jurisdiction over the Amalgamated Company and the Registrar of Companies, Gujarat having jurisdiction over the Amalgamating Company.
- n. **“Scheme”, “Scheme of Amalgamation”, “the Scheme” or “this Scheme”**, means the present Scheme of amalgamation in its present form or with any modifications or amendments approved, imposed or directed by the Tribunal.
- o. **‘Undertaking’** shall mean and include all the assets, rights and properties (hereinafter referred to as “the said Assets”) and all the debts, liabilities, duties and obligations (hereinafter referred to as “the said Liabilities”) of the Amalgamating Company as on the Appointed Date. Without prejudice to the generality of above, the undertaking of the Amalgamating Company shall include but is not limited to:
- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
 - (ii) all assets, as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, furniture, fixtures, office equipment’s, communication facilities, installations, vehicles), actionable claims, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other



authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees;

- (iii) all the investments, being the investments in subsidiaries Companies, joint venture Companies, associate Companies, Partnership firms or investments of any other nature.
- (iv) all permits, licenses, permissions including municipal permissions, rights of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, liberties and advantages (including those granted/issued/given by any Governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the business of the Amalgamating Company or in connection therewith) including those relating to the privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Amalgamating Company.
- (v) all contracts, agreements, service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits there under
- (vi) all applications (including hardware, software, licenses, source codes, parameterisation and scripts), registrations, goodwill, licenses, trade names, trademarks, service marks, copy rights, patents, domain names, designs, trade



secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature there off.

- (vii) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company;
- (viii) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form, of the Amalgamating Company;
- (ix) all debts (whether secured or unsecured), borrowings including loans and borrowings from banks/financial institutions, obligations, duties and liabilities, including the contingent liabilities of the Amalgamating Company;
- (x) all legal or other proceedings of whatsoever nature of the Amalgamating Company.



All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Companies Act, 1956/2013, Income Tax Act, 1961 and any other Applicable Law.

3. RATIONALE FOR THE SCHEME

The amalgamating company is engaged in the business of manufacturing of diamond studded jewellery. The amalgamated company is engaged in the business of manufacturing of cut and polished diamonds. The output of amalgamated company is used by amalgamating company as its input. The management of the Companies, has examined the relative business strengths, the potential commercial and other synergies of both the companies. Further, both the Companies form part of same management.. Considering this, the present Scheme is likely to generate the following benefits and synergies:

- 3.1 Ensuring focused management in a combined entity, thereby resulting in efficiency of management and maximizing overall shareholders value.
- 3.2 Greater integration, financial strength and flexibility, for the amalgamated entity, which would result in maximizing overall shareholder value.
- 3.3 Greater efficiency in cash management of the amalgamated entity, which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- 3.4 Administrative and operational rationalization.

The Scheme is in the interest of both the Companies involved and their respective shareholders, creditors, employees, and all other concerned and shall help these companies to achieve and fulfil the objectives more efficiently. The Scheme shall not in any manner be prejudicial to the interest of concerned shareholders or directors or creditors or key managerial personnel or any other stakeholder, of either of the Companies or general public at large.



4. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or by any Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II

5. SHARE CAPITAL

5.1 The Share Capital of the Amalgamating Company as on 31/01/2020 is, as under:

Authorized Share Capital	Amount (INR)
Class-I- 2,48,000 equity shares of Rs.10 each	24,80,000
Class-II- 4,00,000 equity shares of Rs.10 each	40,00,000
2000 1% Optionally Convertible Preference Shares of Rs.10 each	20,000
Total	65,00,000
Issued, Subscribed and Paid up Share Capital	
Class-I- 879 equity shares of Rs.10 each	8,790
Class-II- 3,46,975 equity shares of Rs.10 each	34,69,750
2000 1% Optionally Convertible Preference Shares of Rs.10 each	20,000
Total	34,98,540

Subsequent to 31/01/2020, the amalgamating company has allotted 2 (two) class-I equity shares of face value of Rs.10 each. Accordingly, as on the date of Board meeting i.e. 04/03/2020 sanctioning the Scheme, the Class-I issued, subscribed and paid-up equity share capital is 881 equity shares of Rs. 10/- each aggregating to Rs. 8,810/- .

5.2 The Share Capital of the Amalgamated Company as on 31/01/2020 is, as under:

Authorized Share Capital	Amount (INR)
15,000,000 equity Shares of Rs. 10/- each	15,00,00,000



Total	15,00,00,000
Issued, Subscribed and Paid up Share Capital	
98,00,000 equity shares of Rs. 10/- each fully paid up	9,80,00,000
Total	9,80,00,000

The authorized, issued, subscribed and paid-up share capital of the Amalgamated Company, is the same as on the date of board meeting sanctioning the Scheme.

PART III

6. AMALGAMATION AND VESTING

Upon the Scheme becoming effective and with effect from the opening of business as on the Appointed Date, and subject to the provisions of this Scheme, the entire business and undertaking of the Amalgamating Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Amalgamated Company on a going concern, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and also in accordance with section 2(1B) of the Income Tax Act, 1961, without any further act or deed, as per the provisions contained herein and in this Scheme.

- 6.1 All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) of the Amalgamating Company and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- 6.2 All assets, as are movable in nature of the Amalgamating Company, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, furniture, fixtures, office equipment, communication facilities, installations, vehicles), actionable claims,



earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees;

- 6.3 All the investments, including but not limited to the investment in subsidiaries companies, joint venture companies, associate companies, partnership firms or investments of any other nature, of the Amalgamating Company.
- 6.4 All statutory licenses and approvals, including but not limited to, permissions, clearances, incentives, consents and authorization orders, and all other business certifications and all other registration certificates issued to the Amalgamating Company under the Applicable Law(s).
- 6.5 All the liabilities, obligations including the charges or encumbrances on assets / undertaking, guarantees given, of the Amalgamating Company, shall, without any further act or deed, be and stand transferred, to the Amalgamated Company, pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Amalgamated Company. The consent of any third party or other person who is a party to any contract or arrangement by virtue of which debts, liabilities, duties and obligations liabilities have arisen, in order to give effect to the provisions of this Clause & Scheme. Provided however that, this shall not mean or result into enhancing the security for any loan, deposit or obligation created by the Amalgamated Company. The Amalgamated Company shall not be obliged to create any further or additional security therefor.

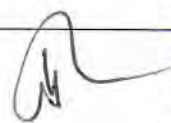
7. UPON COMING INTO EFFECT OF THE SCHEME

- 7.1 With effect from the Effective date and until such time the name of the Amalgamated Company is replaced in the relevant statutory/Government records, registers and contracts related to the assets and liabilities of the Amalgamated



Company, if any, the Amalgamated Company shall be entitled to raise invoices in the name of the Amalgamating Company and utilize the name of the Amalgamating Company as the division of the Amalgamated Company. Until such time, any amounts received by the Amalgamating Company after the Effective Date, shall be deemed to be held in trust on behalf of the Amalgamated Company. Thereafter, all such sums shall be remitted by the Amalgamating Company to the Amalgamated Company.

- 7.2 All cheques and negotiable instruments, payments orders received in the name of the Amalgamating Company after the Effective Date, shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company. Similarly, bankers of the Amalgamated Company shall honour cheques issued by the Amalgamating Company for payment after the Effective Date.
- 7.3 With effect from the Effective date and until such time the title, rights, interest in connection with all the immovable properties (land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) in the names of the Amalgamating Company, is transferred in the name of Amalgamated Company, the Amalgamated Company shall deem to hold such title, rights, interest in immovable properties in trust, on behalf in name of the Amalgamating Company.
- 7.4 With effect from the Effective date and until such time all statutory licenses and approvals, including but not limited to, permissions, clearances, incentives, consents and authorization orders, and all other business certifications and all other registration certificates issued to the Amalgamating Company under the Applicable Law(s) are transferred to Amalgamated Company, the Amalgamated Company shall deem to hold in trust such statutory licenses and approvals in on behalf of the Amalgamating Company.
- 7.5 The Amalgamated Company, at any time after the coming into effect of this Scheme, may execute deeds of confirmation in favour of any party to any contract



or arrangement or memorandum of understanding to which the Amalgamating Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings in the name of the Amalgamating Company to carry out or perform all such formalities or compliance, referred to above on the part of the Amalgamated Company to be carried out or performed.

8. TAXES

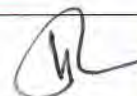
- 8.1 All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, any tax credits including Minimum Alternate Tax (“MAT”) credit, taxes withheld/paid in a foreign country, Goods and Services Tax (“GST”), etc.) payable by or refundable to the Amalgamating Company, including all or any refunds or claims shall be treated as the tax liability or refunds / claims, etc., as the case may be, of the Amalgamated Company, and any tax incentives, benefits advantages, privileges, exemptions, benefits, credits, tax holidays, remissions, reductions, etc., as would have been available to the Amalgamating Company, shall upon the Scheme being effective, be available to the Amalgamated Company.
- 8.2 Upon the Scheme being effective, the Amalgamated Company shall be entitled to claim refunds or credits, including input tax credit, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company, under Applicable Law(s), including income tax (including tax losses), Minimum Alternate Tax (“MAT”), GST, CENVAT or any other tax, whether or not arising due to any *inter se* transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 8.3 Upon the coming into effect of the Scheme, all tax compliances under any tax laws by the Amalgamating Company on or after Appointed Date shall be deemed to be made by the Amalgamated Company.



- 8.4 Upon the Scheme being effective, any advance tax, self-assessment tax, minimum alternate tax including unutilized MAT credit up to the Appointed Date and/or credit available for Tax Deducted at Source (“TDS”) or vested with the Amalgamating Company, including any taxes paid and taxes deducted at source and deposited by the Amalgamated Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Amalgamated Company and shall be available to the Amalgamated Company for set-off against its liability under the Income-tax Act, 1961 and any excess tax so paid shall be eligible for refund together with interest. Any TDS certificates issued by the Amalgamated Company to, or for the benefit of, the Amalgamating Company under the Income-tax Act, 1961 with respect to the inter se transactions would be available to the Amalgamated Company to seek refund from the tax authorities in compliance with law. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Amalgamating Company on transactions other than inter se transactions during the period between the Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Amalgamated Company. Any TDS deducted by, or on behalf of, the Amalgamating Company on inter se transactions will be treated as advance tax deposited by the Amalgamated Company.
- 8.5 The Amalgamated Company is also expressly permitted to claim refunds, credits, including restoration of input credit, tax deduction in respect of nullifying of any transaction between the Amalgamating Company and the Amalgamated Company.

9. REVISION OF ACCOUNTS / RETURNS

- 9.1 It is hereby provided that upon the Scheme being effective, the Amalgamated Company is also expressly permitted to reopen and revise its financial accounts for any relevant year, income tax returns, withholding tax returns, GST return and any other statutory returns and filings under the tax laws, notwithstanding that the period of filing /revising such return may have lapsed to obtain TDS certificates, including TDS certificates relating to transactions between the Amalgamating



Company and the Amalgamated Company , and to claim refunds of advance tax and withholding tax credits, GST refund, VAT refund etc., pursuant to the provision of this Scheme.

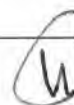
10. COMPLIANCE WITH SECTION 2(1B) OF THE INCOME-TAX ACT, 1961

10.1 The provisions of this Scheme as they relate to the amalgamation of the Amalgamating Company with and into the Amalgamated Company, have been drawn up to comply with the conditions relating to “Amalgamation” as specified under the tax laws, including section 2(1B) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. This Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Amalgamating Company and the Amalgamated Company, which power shall be exercised reasonably in the best interests of the companies concerned.

11. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS OF THE AMALGAMATING COMPANY FOR THE AMALGAMATED COMPANY

With effect from the Appointed Date and up to and including the Effective Date:

11.1 Upon the Scheme becoming effective, the Amalgamated Company shall be entitled to operate all bank accounts, realize all monies and complete and enforce all pending Contracts and transactions in the name of the Amalgamating Company to the extent necessary until the transfer of the rights and obligations of the Amalgamating Company to the Amalgamated Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt it is clarified that with effect from the Effective Date and until such time that the



name of the bank accounts of the Amalgamating Company has been replaced with that of the Amalgamated Company, the Amalgamated Company shall be entitled to operate the bank accounts of the Amalgamating Company in the name of the Amalgamating Company in so far as it may be necessary.

- 11.2 The Amalgamating Company shall be carrying on and be deemed to have been carrying, on all business and activities and shall hold and stand possessed of and shall be deemed to hold, and stand possessed of all assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for the Amalgamated Company;
- 11.3 All income or profits accruing or arising to the Amalgamating Company, or all costs, charges, expenses or losses arising or incurred by it (including the effect of taxes, if any, thereon), shall, for all purposes, be treated as profits, income, costs, charges, expenses, taxes or losses, as the case may be, of the Amalgamated Company;
- 11.4 It is clarified that any advance tax paid / TDS credits / TDS certificates received by the Amalgamating Company, shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of the Amalgamated Company.
- 11.5 Similarly, any other taxes including but not limited to goods & service tax, sales tax, value added tax, if any, paid by the Amalgamating Company on or after the Appointed date, in respect to period after such date shall be deemed to have been paid by or for the benefit of the Amalgamated Company.
- 11.6 All assets howsoever acquired by the Amalgamating Company for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Amalgamated Company.
- 11.7 The Amalgamating Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for



such consents, approvals and sanctions which Amalgamated Company may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of the Amalgamated Company.

11.8 Without prejudice to the above, the Amalgamating Company from the date of filing this Scheme with the NCLT up to and including the Effective Date, shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise) decrease, reduction, reclassification, sub-division or consolidation, reorganization, or in any other manner except under any of the following circumstances:

- (i) By mutual consent of the respective Board of Directors of the Amalgamating Company and the Amalgamated Company; or
- (ii) By way of any obligation already subsisting as on the date of filing this Scheme with the NCLT

11.9 The transfer of assets, properties, liabilities or Undertaking(s) and the continuance of proceedings by or against the Amalgamating Company, shall not affect any transaction or proceedings already concluded by the Amalgamating Company on or after the Appointed Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds things done and executed by the Amalgamating Company in regard thereto, as done executed by the Amalgamated Company on behalf of itself.

11.10 The Amalgamating Company undertakes that it will preserve and carry on the business with diligence and utmost business prudence and agrees that it will not, alienate, charge, mortgage or encumber or otherwise deal with or dispose of any assets or any part thereof or recruit new employees (in each case except in the ordinary course of business) or undertake substantial expansion or change the general character of the business; and

11.11 The Amalgamating Company and/or the Amalgamated Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/administrative bodies and all other agencies, departments and



authorities concerned, as are necessary under any Applicable Law for such consents, approvals and sanctions which the Amalgamated Company may require, in order to carry on the business of the Amalgamating Company.

12. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

12.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, agreements and other instruments of whatever nature to which the Amalgamating Company is a party, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Amalgamated Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party thereto.

12.2 It is clarified that in case of any such instruments including contracts, deeds, etc., wherever required, shall amend or modify such instrument etc., as may be appropriate, by appending, attaching or affixing thereto such addendum, stickers, papers, supplementary modification deeds etc. with or without affixing the Common Seal of the Company, to denote and signify the Amalgamated Company as a party thereto stepping instead and in place of the Amalgamating Company. Further, the Amalgamated Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Amalgamating Company and to implement or carry out all formalities required on the part of the Amalgamating Company to give effect to the provisions of this Scheme.

13. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or claims or action before any statutory or quasi-judicial authority or tribunal other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Amalgamating Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against



the Amalgamated Company in the same manner and to the same extent, as it would be or might have been continued, prosecuted and enforced by or against the Amalgamating Company, as if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company shall and may initiate any legal proceedings for and on behalf of the Amalgamating Company.

14. STAFF, WORKMEN AND EMPLOYEES OF THE AMALGAMATING COMPANY

All the staff, workmen and other employees in the service of the Amalgamating Company immediately before the amalgamation under the Scheme, shall become the staff, workmen and employees of the Amalgamated Company, on the basis that:

- 14.1 Their service shall be continuous and shall not be interrupted by reason of the amalgamation;
- 14.2 The terms and conditions of service applicable to the said staff, workmen or employees after such amalgamation shall not in any way be less favorable to them than those Applicable to them immediately before the amalgamation; and
- 14.3 It is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other Fund created or existing for the benefit of the staff, workmen and other employees of the Amalgamating Company are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever related to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such Funds shall become those of the Amalgamated Company and all the rights, duties and benefits of the employees of the Amalgamating Company under such Funds and Trusts shall be protected. It is clarified that the services of the employees of the Amalgamating Company will



also be treated as having been continuous for the purpose of the aforesaid Funds or provisions.

15. ISSUE OF THE CONSIDERATION BY THE AMALGAMATED COMPANY

15.1 Upon the scheme becoming effective, in consideration of the amalgamation of the Amalgamating Company with Amalgamated Company and in terms of the Scheme and without any further application, act, instrument or deed, issue and allot to the shareholders of the Amalgamating Company, whose names appear in the Register of Members of the Amalgamating Company on the Record Date to his /her/its legal heirs, executors or administrators or, as the case may be, successors) as the case may be, in the following proportion:

- i. In respect of every 1 (One) fully paid up Class-I equity shares of Rs.10/- (Rupees Ten Only) each held by equity shareholders of Amalgamating Company, 7 (Seven) fully paid up Class-I equity shares of the face value of Rs 10/- (Rupees Ten) each of the Amalgamated Company.
- ii. and at the option of the Class-II equity shareholders and preference shareholders of the Amalgamated Company:
 - a. In respect of every 1 (One) fully paid up Class-II equity shares of Rs.10/-(Rupees Ten only) each held by equity shareholders and for every 1(one) fully paid up preference shares of Rs.10 (Rupees Ten Only) each of Amalgamating Company, 7 (Seven) fully paid up Class-I equity shares of the face value of Rs. 10/- (Rupees Ten) each of the Amalgamated Company.
 - or
 - b. In respect of every 1 (One) fully paid up Class-II equity shares of Rs.10/- (Rupees Ten Only) each held by equity shareholders and for every 1(one) fully paid up preference shares of Rs.10/- (Rupees Ten Only)each of Amalgamating Company,7 (Seven) fully paid up Class-



II equity shares of the face value of Rs. 10/- (Rupees Ten Only) each of the Amalgamated Company.

The above options can be exercised by the equity shareholders for all of the Class-II equity shares or even part thereof.

15.2 No fractional shares shall be issued by the Amalgamated Company and the fractional share entitlements, if any, arising out of such allotment, shall be rounded off to the nearest complete share.

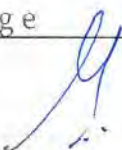
16. PROFITS, DIVIDENDS, BONUS / RIGHTS SHARES

16.1 With effect from the Appointed Date, the Amalgamating Company shall not without the prior written consent of the Amalgamated Company, utilize the profits, if any, for declaring or paying of any dividend to its shareholders and shall also not utilize, adjust or claim adjustment of profits/ reserves, as the case may be earned/ incurred or suffered after the Appointed Date.

17. ACCOUNTING TREATMENT IN THE BOOKS OF AMALGAMATED COMPANY

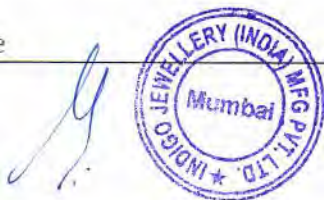
17.1 Upon this Scheme becoming effective, the Amalgamated Company shall follow the method of accounting as prescribed for the "Pooling of Interest Method" under Appendix-C (Business Combination of companies under common control) of Ind AS 103 (Business Combination) as notified under the Companies (Indian Accounting Standard) Rules, 2015.

17.2 The Amalgamated Company shall record the assets, liabilities and reserve of the Amalgamating Company as transferred to the Amalgamated Company pursuant to this Scheme, at their respective book values, as appearing in the books of the Amalgamating Company on the Appointed Date. No adjustments shall be made to



reflect fair values, or recognize any new assets or liabilities. The only adjustments that are made are to harmonize accounting policies.

- 17.3 The identity of the reserves of the Amalgamating Company, shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same manner and form, in which they appeared in the financial statements of both the Amalgamating Company respectively, prior to this Scheme becoming effective. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of the Amalgamating Company available for distribution, whether as bonus shares or dividend or otherwise, the same would also be available in the financial statements of the Amalgamated Company for such distribution pursuant to this Scheme becoming effective.
- 17.4 All inter-company payables, receivables (including loans, advances etc.) and balances between the Amalgamating Company and the Amalgamated Company, shall cancelled and shall accordingly not record any of such payables, receivables and balances in their books.
- 17.5 The difference between the assets, liabilities and reserve & surplus of the Amalgamating Company to be transferred pursuant to this Scheme to the Amalgamated Company, after making the adjustment for the clause 17.4 and value of consideration, shall be adjusted in accordance with Appendix-C of Ind AS-103(Business Combination of companies under common control) as notified under the Companies (Indian Accounting Standard) Rules, 2015.



**Part IV: MISCELLANEOUS PROVISIONS AND CONDITIONALITY OF THE
SCHEME**

18. DISSOLUTION OF THE AMALGAMATING COMPANY

Subject to Clause 7, upon this Scheme becoming effective, the Amalgamating Company shall be dissolved without winding up, pursuant to the provisions of Section 232 of the Act.

19. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of the Scheme, the resolutions of the Amalgamating Company as are considered necessary by the Board of Directors of the Amalgamated Company to be validly subsisting, be considered as resolutions of the Amalgamated Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then said limits, as are considered necessary by the Board of Directors of the Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by the Amalgamated Company.

20. CONSOLIDATION AND RESTRUCTURE OF SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE AMALGAMATED COMPANY

20.1 Consolidation Of Authorized Share Capital

Upon the Scheme being effective, the authorized equity share capital of the Amalgamating Company being Rs.24,80,000/- (Rupees Twenty Four lakh eighty thousand Only) towards Class-I equity share capital, Rs.40,00,000 (Rupees Forty lakh Only) towards Class-II equity share capital and Rs. 20,000/- (Rupees Twenty thousand Only) towards 1% Optionally Convertible Preference Shares shall be reorganized into Class II equity shares of Rs. 65,00,000/- divided into 6,50,000 equity shares of Rs. 10/- each and then, it shall be consolidated with the authorized Equity share capital of the Amalgamated Company, without any



further act or deed and without any further payment of the stamp duty or the registration fees.

20.2 Upon the Scheme being effective, the authorized share capital of the Amalgamated Company shall be reorganized into Class I equity shares and Class-II equity shares.

20.3 Terms/rights attached to equity shares.

- Class-I equity shares shall have voting right to vote one per share and each class I equity shareholders have right to receive dividend as and when declared by the company.
- Class-II equity shares shall not have any voting right in the Amalgamated Company. However, each Class-II equity shares shall have right to receive additional dividend of 2% over and above normal dividend as and when declared by the Company for class I equity shares.

20.4 Consequently, Clause V of the Memorandum of Association of the Amalgamated Company, shall be deleted in its entirety and be replaced as under:

Clause V of Memorandum of Association: -

“The Authorized Share Capital of the Company is Rs. 15,65,00,000/- [Rupees Fifteen Crore Sixty Five lakh only] divided into 1,31,50,000 Class-I Equity Shares of Rs. 10/- [Rupees Ten only] 25,00,000 Class-II Equity Shares of Rs. 10/-[Rupees Ten only]

20.5 Under the accepted principle of “Single Window Clearance”, it is hereby provided that the above referred amendment of Memorandum of Association of the Amalgamated Company, viz. “Change in the Capital” Clause and its reclassification, shall become operative as an integral part of the Scheme. The consent of the shareholders of the Amalgamated Company to this Scheme, shall be deemed to be sufficient for the purposes of effecting the above amendment to



the Memorandum of Association of the Amalgamated Company and no further resolution under Section 13 of the Act and any other applicable provisions of the Act and rules and regulations framed thereunder, would be required to be separately passed, nor shall the Amalgamated Company be required to pay any additional registration fees, stamp duty, etc.

21. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL

The Companies shall, with reasonable dispatch, make petitions to the National Company Law Tribunal at Mumbai and the National Company Law Tribunal at Ahmedabad, pursuant to Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013, as may be applicable, from time to time, for holding/dispensing with the meetings of the shareholders and/or creditors of the Companies and obtaining one or more orders sanctioning this Scheme and carrying this Scheme into effect.

22. MODIFICATIONS/AMENDMENTS TO THE SCHEME

22.1 The Board of Directors of the Companies, may from time to time, assent on behalf of all persons concerned, including the shareholders, to any modifications or amendments or additions to the Scheme or to any conditions or limitations, which either the Board of Directors of the Companies may deem fit or which the Tribunal and/or any competent Authority, if any, under the law may deem fit, to approve of or impose and which the Board of Directors of the Companies may in their discretion, deem fit, and to resolve all doubts or difficulties that may arise in carrying out and implementing this Scheme and to do all acts, instruments, deeds, matters and thing necessary or to review position relating to the satisfaction of the conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law), for bring the Scheme into effect. In the event of any of the conditions that may be imposed by the Tribunal or other authorities which the Companies may find unacceptable for any reason, whatsoever, then, the Companies are at liberty to withdraw the Scheme. The aforesaid powers of the Companies may be exercised by their respective Board of Directors, or a



committee of the concerned Board of Directors, or any director authorized in that behalf by the concerned Board of Directors.

22.2 For the purpose of giving effect to the Scheme or to any modifications or amendments thereof, or additions thereto, the delegate(s) of the Companies may give and hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

22.3 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the Applicable Law(s) prevailing in India at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the Applicable Law(s) shall prevail. This Scheme shall then stand modified to the extent determined necessary to comply with the said laws. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Amalgamating Company and the Amalgamated Company, which power shall be exercised reasonably in the best interests of the companies concerned.

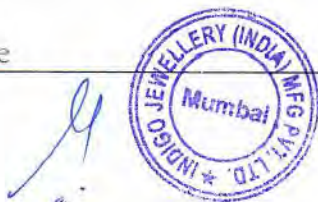
22.4 Notwithstanding Clause 22.1, 22.2 and 22.3 above, the Companies (acting through their respective Board of Directors), shall be at liberty to withdraw or modify the Scheme for the reason of any condition or alteration imposed by the Tribunal or any other Governmental/regulatory authority, not being acceptable to them.

23. CONDITIONALITY OF THE SCHEME

The effectiveness of the Scheme is conditional upon and subject to:

23.1 The Scheme being approved by the respective requisite majorities of the various classes of Shareholders and creditors of the Companies, as required under the Act.

23.2 The sanction of the Tribunal under Section 230 to 232 of the said Act, whether with or without any modifications and amendments as the Tribunal may deem fit.



in favor of the Companies and to the necessary Orders under Section 232 of the said Act, being obtained.

23.3 Certified copies of the Orders of the Tribunal being filed by the Companies with the Registrar of Companies having jurisdiction over each of such Companies.


24. COST, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of/or incurred in securing approvals and sanctions for the Scheme and matters incidental thereto, shall be borne and paid by the Amalgamated Company.

25. APPROVALS / SANCTIONS NOT FORTHCOMING

In the event any of the approvals and sanctions as mentioned under clause 23 of the Scheme are not obtained, completed or forthcoming, the Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as in contemplated hereunder, or as to any right, liability or obligation which has arisen and accrued pursuant thereto and which shall be preserved or worked out as specifically provided in the Scheme or as may otherwise arise in law. In such event, the Board of Directors of the respective Companies, shall be entitled to withdraw this Scheme prior to the Effective Date.

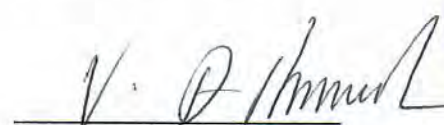
For INDIGO JEWELLERY (INDIA) MFG.
PRIVATE LIMITED



Samir V. Shah
Director
DIN:00102577



For S. VINODKUMAR DIAMONDS
PRIVATE LIMITED



Vinod D. Shah
Director
DIN:00102710

